

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7604

Petition of Vermont Electric Cooperative, Inc. ("VEC") )  
pursuant to 30 V.S.A. § 248 for a Certificate of Public )  
Good authorizing the replacement of the Jay Peak Tap )  
Transmission facility and the relocation of the existing )  
46kV transmission lines to the new facility in the Town )  
of Jay, Vermont ("Jay Peak Switching Station") )

Hearing at  
Montpelier, Vermont  
May 20, 2011

Order entered: 7/11/2011

PRESENT: John J. Cotter, Esq., Hearing Officer

APPEARANCES: Joslyn Wilschek, Esq.  
Primmer Piper Eggleston & Cramer PC  
for Vermont Electric Power Company, Inc./  
Vermont Transco LLC and Vermont Electric  
Cooperative, Inc.

Geoffrey Commons, Esq.  
for Vermont Department of Public Service

Donald J. Einhorn, Esq.  
for Vermont Agency of Natural Resources

**ORDER RE: AMENDMENT TO CERTIFICATE OF PUBLIC GOOD**

**I. SUMMARY**

This proceeding relates to a petition filed with the Public Service Board ("Board") by the Vermont Electric Cooperative, Inc. ("VEC"), on January 24, 2011, requesting that the Board issue an amendment to the Certificate of Public Good ("CPG") issued on August 6, 2010, in this docket. Specifically, VEC seeks to alter the design of the previously approved Jay Peak Switching Station facility to allow the switching station to interconnect with the Vermont

Electric Power Company, Inc., and Vermont Transco LLC (collectively, "VELCO") Jay Tap Substation Project, if the VELCO Jay Tap Substation Project is approved and constructed.<sup>1</sup>

In this proposal for decision, I recommend that the Board approve the proposed modifications to the Jay Peak Switching Station facility and issue an amended CPG to allow VEC to construct the modified Jay Peak Switching Station facility.

## **II. PROCEDURAL HISTORY**

On August 6, 2010, VEC was granted a CPG under 30 V.S.A. § 248 authorizing the replacement of the existing Jay Peak Tap Transmission facility with the Jay Peak Switching Station and the relocation of existing 46 kV transmission lines to the new facility in the Town of Jay, Vermont.

On January 24, 2011, VEC filed a petition seeking an amendment to its CPG to allow the interconnection of the Jay Peak Switching Station facility with the VELCO Jay Tap Substation Project, if the VELCO Jay Tap Substation Project is approved and constructed. VEC also requested that the technical hearing in this docket be held concurrently with those in Docket 7708 because there were common questions of law and fact.<sup>2</sup> On March 16, 2011, I issued a Joint Scheduling Order, directing that the schedules adopted for Docket 7708<sup>3</sup> be extended to the review of the proposed amendments in this docket. The Joint Scheduling Order stated that the two Dockets would remain separate, each with its own caption and orders.

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1. On January 19, 2011, VELCO and VEC filed a joint petition for a CPG, pursuant to 30 V.S.A. § 248, authorizing: (1) the construction of a new VELCO 115/46 kV Substation in Jay, Vermont, to be located adjacent to VEC's existing Jay Peak Switching Station; (2) modification of transmission lines; and (3) the relocation of a residence drive and improvement of an access road (together referred to as the "VELCO Jay Tap Substation Project"). The Board is reviewing that petition in Docket 7708.

2. The schedules proposed by VEC for Docket 7708 also envisioned discovery in both proceedings occurring simultaneously.

3. The parties in Docket 7708 agreed upon and proposed two possible schedules, one in the event there are intervenors and one if there are no intervenors. No intervention motions were filed in Docket 7708.

On March 3, 2011, a memorandum was issued to the parties seeking comment on whether the Board should conduct a public hearing and site visit regarding the proposed modifications to the Jay Peak Switching Station facility. On March 9, 2011, VEC submitted comments, in concurrence with the Vermont Department of Public Service ("DPS") and the Vermont Agency of Natural Resources ("ANR"), in response to the Board's memorandum, stating that the modifications to the facility were unlikely to be noticed by the public and that VEC's petition did not warrant a site visit and public hearing. Accordingly, no site visit or public hearing was conducted.

On May 13, 2011, VEC, the Department and ANR filed a proposal for decision and a memorandum of understanding ("MOU") in which all the parties agreed that the proposed amendment "is consistent with the general good of the State of Vermont and will not have an adverse effect on Vermont ratepayers; and the Board may issue a certificate of public good without conducting technical hearings."<sup>4</sup> The MOU also stated "that the Board should adopt the Findings of Fact, Order, and Certificate of Public Good attached as Exhibit 1 to this MOU . . ."<sup>5</sup> The specific provisions of the MOU are described in the findings below.

A Technical Hearing was held on May 20, 2011, at which the prefiled testimony, exhibits and the MOU were entered into the record.

No other parties filed comments.

### **III. FINDINGS**

Based on the Petition, the associated prefiled testimony, the MOU, the draft proposal for decision ("PFD"), and the evidence presented at the Technical Hearing and the absence of any factual disputes, I have determined that this matter is ready for decision. Based on the evidence of record and the testimony presented at the hearing, I hereby report the following findings to the Board in accordance with 30 V.S.A. § 8.

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4. 30 V.S.A. § 248(a)(4)(B) dictates that, for petitions filed under Section 248, the Board "shall hold technical hearings." Therefore, in accordance with statute, I held a technical hearing in this docket.

5. The parties did not attach a CPG to the MOU.

### **A. Background and Project Description**

1. VEC is a company as defined by 30 V.S.A. § 201 and is authorized to provide electric service pursuant to 30 V.S.A. § 231. Petition at 1.

2. VEC's offices are located at 42 Wescom Road, Johnson, Vermont. Petition at 1.

3. On August 6, 2010, VEC was granted a CPG authorizing the construction of the Jay Peak Switching Station facility, which as of January 24, 2011, was still under construction. Abendroth pf. at 2-3.

4. On January 19, 2011, VELCO and VEC filed a joint petition for a CPG, pursuant to 30 V.S.A. § 248, authorizing the construction of the VELCO Jay Tap Substation Project, which is currently being reviewed by the Board in Docket 7708. Petition at 1.

5. VEC proposes to amend its CPG for the Jay Peak Switching Station facility to allow the facility to interconnect with the proposed VELCO Jay Tap Substation Project, if the VELCO Jay Tap Substation Project is approved and constructed. VEC proposes the following modifications to the Jay Peak Switching Station facility:

- Adding approximately twenty-four feet to the existing facility's overhead "A-frame" structure at the location marked as "future" in exhibits VEC-HRA-4 and 5 and VEC's final plans filed with the Board on October 27, 2010 (Drawing C-101, sheets 1-2);
- Relocating Capacitor Bank Nos. 3 and 4 and related equipment to the northeast corner of the facility, including circuit breaker C92;
- Relocating a portion of the northeast side of the facility's fence to the east by approximately twelve feet to provide adequate access for the relocated capacitor banks;
- Constructing two 46 kV bus ties to connect with the proposed VELCO Jay Tap Substation Project; and
- Installing two manually operated switches to serve as isolation points (visual open points) from the proposed VELCO Jay Tap Substation Project.

Petition at 1; Abendroth pf. at 2-5; exh. Amendment-VEC-HRA-2; exhs. VEC-HRA-4-5; exh. Drawing C-101, sheets 1-2.

6. The proposed modifications will occur at the previously approved facility and will not substantially change the character of the site. Abendroth pf. at 4.

7. The "access/snow removal" area remains within the level area shown on Exhibit VEC-SAS-4 outside the modified fence line and gate location at the northeast corner of the facility. No change in the side slope or filled area is required to accommodate the change in the location of the perimeter fence. Exh. MOU-Exhibit-1.

8. The cost estimate for the proposed modifications is \$470,000. Abendroth pf. at 5; exh. Amendment-VEC-HRA-4.

### **B. Review of the Project under the relevant Section 248 Criteria**

Pursuant to PSB Rule 5.408, an amendment to a CPG for construction of transmission facilities, "issued under 30 V.S.A. § 248, shall be required for a substantial change in the approved proposal." A substantial change is defined as a "change in the approved proposal that has the potential for significant impact with respect to any of the criteria of Section 248(b) or on the general good of the state under Section 248(a)." Because the proposed modifications will be primarily located within the footprint of the previously approved facility, the proposed modifications only create a substantial change in relation to the following criteria: 30 V.S.A. § 248(b)(2) (Need for Present and Future Demand for Service); 30 V.S.A. § 248 (b)(3) (System Stability and Reliability); and 30 V.S.A. § 248(b)(4) (Economic Benefit). Accordingly, only those three criteria are addressed below. I recommend that for all remaining Section 248 criteria, the findings and conclusions of the Board's August 6, 2010, Order remain unchanged.

#### **Need for Present and Future Demand for Service**

[30 V.S.A. § 248(b)(2)]

9. The proposed modifications are required to meet the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures. This finding is supported by findings 10 through 12, below.

10. If the Board grants VELCO and VEC a CPG to construct the VELCO Jay Tap Substation Project, VEC needs to modify the previously approved Jay Peak Switching Station

facility in order to interconnect VEC's existing 46 kV system with VELCO's 115kV system via the Jay Peak Switching Station. Abendroth pf. at 5.

11. Efficiency, conservation or other load management measures will not eliminate the need to install the modifications to the Jay Peak Switching Station, if the VELCO Jay Tap Substation Project is constructed. Abendroth pf. at 6 (citing testimony in Docket 7708).

12. If the Board does not grant a CPG authorizing the construction of the VELCO Jay Tap Substation Project, the proposed modifications to the Jay Peak Switching Station will not be needed. Abendroth pf. at 5.

### Discussion

Because the modifications to the Jay Peak Switching Station are only needed if the VELCO Jay Tap Substation Project under consideration in Docket 7708 is approved and constructed, I recommend that the Board condition its approval in this proceeding on VELCO and VEC obtaining a CPG in Docket 7708.

### **System Stability and Reliability**

[30 V.S.A. § 248(b)(3)]

13. The proposed modifications will not adversely affect system stability and reliability. This finding is supported by findings 14 through 15, below.

14. The proposed modifications to the Jay Peak Switching Station facility will have no impact on system stability and reliability because the modified facility will be electrically identical to the design of the facility approved in the original CPG. Abendroth pf. at 6.

15. When combined with the proposed VELCO Jay Tap Substation Project, the proposed modifications will improve system stability and reliability. Abendroth pf. at 6 (citing Scott Mallory's prefiled testimony in Docket 7708).

**Economic Benefit to the State**

[30 V.S.A. § 248(b)(4)]

16. The proposed project will result in an economic benefit to the State and its residents. This finding is supported by findings 17 and 18, below.

17. The proposed modifications will allow VEC to connect to the proposed VELCO Jay Tap Substation Project, which in turn will improve the reliability of VEC's 46 kV system and thereby allow for future development in the area. Abendroth pf. at 6.

18. The proposed modifications, combined with the VELCO Jay Tap Substation Project, will enable VEC to defer the reconstruction of its Highgate-Richford transmission line, which has been estimated to cost \$30 million. Abendroth pf. at 6-7 (citing Scott Mallory's prefiled testimony in Docket 7708).

**IV. DISCUSSION**

VEC has provided sufficient evidence to demonstrate that the proposed modifications to the Jay Peak Switching Station facility comply with the Section 248 criteria. I recommend that the Board approve the modifications and issue an amended CPG for construction of the proposed modifications in accordance with the MOU filed on May 13, 2011.

All parties to this proceeding waived their rights under 3 V.S.A. § 811 to file written comments or present oral argument with respect to this PFD, provided that this PFD is substantially in the form as that agreed to by the parties. Because this PFD is substantially in the form as that agreed to by the parties, I am not circulating the PFD to the Parties for their review and comment pursuant to 3 V.S.A. § 811.

**V. CONCLUSION**

Based upon the evidence in the record, I conclude that the proposed modifications to the Jay Peak Switching Station facility, with the conditions identified below:

(a) is required to meet the need for present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures;

- (b) will not adversely affect system stability and reliability; and
- (c) will result in an economic benefit to the State and its residents.

I recommend that the Board approve the proposed modifications to the Jay Peak Switching Station facility and issue an amended CPG for construction of the modified project with the conditions set forth in the proposed Order and proposed amended CPG, below.

Dated at Montpelier, Vermont, this 11<sup>th</sup> day of July, 2011.

s/John J. Cotter

John J. Cotter, Esq.  
Hearing Officer

## **VI. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The findings, conclusions, and recommendations of the Hearing Officer are adopted.
2. The Memorandum of Understanding filed by the parties on May 13, 2011, is hereby approved.
3. The Vermont Electric Cooperative, Inc.'s ("VEC"), proposed modifications to the Jay Peak Switching Station facility in Jay, Vermont will promote the general good of the State of Vermont in accordance with 30 V.S.A. Section 248 and the Certificate of Public Good ("CPG") issued in this docket on August 6, 2010, shall be amended to authorize the modifications.
3. Construction, operation, and maintenance of the proposed project shall be in accordance with the plans and evidence as submitted in these proceedings. Any material deviation from these plans must be approved by the Board.
4. Prior to proceeding with construction, VEC shall obtain all necessary permits and approvals. Construction, operation, and maintenance of the proposed project shall be in accordance with such permits and approvals, and with all other applicable regulations, including those of the Vermont Agency of Natural Resources.
5. This amended CPG shall only be effective upon Vermont Electric Power Company, Inc., and Vermont Transco LLC (collectively, "VELCO"), and VEC obtaining a CPG in Docket 7708 authorizing the construction of the Jay Tap Substation project. If such a CPG is not issued in Docket 7708, then the CPG issued on August 6, 2010, in Docket 7604 shall remain in effect as previously issued without modification, absent further order from the Board.

Dated at Montpelier, Vermont, this 11<sup>th</sup> day of July, 2011.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: July 11, 2011

ATTEST: s/Judith C. Whitney  
Deputy Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*